GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:149
ANSWERED ON:07.03.2001
LACK OF MINIMUM SUPPORT PRICES
T.T.V. DHINAKARAN

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the agriculturists are badly affected due to hike in fertilizer prices and also the lack of minimum support price for their produce; and

(b) if so, the remedial measures taken by the Government to protect the interest of agriculturists in this regard? A N S W E R

Answer

MINISTER OF AGRICULTURE (SHRI NITISH KUMAR)

(a) & (b) : A statement is laid on the Table of the Sabha.

STATEMENT REFFERED TO IN REPLY TO PARTS (a) and (b) OF LOK SABHA STARRED QUESTION NO.149 DUE FOR REPLY ON 7TH MARCH, 2001.

(a) & (b): The percentage increase in the last revision of price of urea and Muriate of Potash (MOP) has been of the order of 15 per cent and that of Di- Ammonium Phosphate (DAP) about 7 per cent.The total impact of the price increase of urea and Phosphatic & Potassic (P&K) fertilizers effected in Budget 2000-01 on the cost of cultivation however was estimated to be less than 1.5 per cent.

The Government announces each season the minimum support prices (MSPs) for major agricultural commodities and organizes purchase operations through public and cooperative agencies, viz. Food Corporation of India (FCI), (paddy, wheat and coarse cereals); Cotton Corporation of India (CCI) − (cotton); Jute Corporation of India (JCI) − (jute); NAFED (oilseeds & pulses); and Tobacco Board (tobacco). The cost of cultivation production taken into account includes all paid out costs, such as those incurred on account of hired human labour, bullock labour/machine labour (both hired and owned) and rent paid for leased-in land besides cash and kind expenses on use of material inputs like seeds, fertilizers, manures, irrigation charges including cost of diesel/electricity for operation of pump sets, etc. The MSPs fixed by the Government cover not only cost of production, but also provide for a margin as an incentive to increase production and productivity.

Those commodities, which are perishable in nature and which are locally grown or where the cost differential varies substantially from State to State, are covered under Market Intervention Scheme (MIS) of the Government, where procurement is undertaken at the request of the State Governments.

Large quantities of cereals etc., have been procured under the MSP scheme and procurement of certain commodities is continuing. The Government has also been using instruments of trade to discourage the imports and encourage exports wherever necessary to protect the interests of the farmers.